

DECLARATION OF KENNETH BAIN II

I, Kenneth Bain II, being duly sworn, do hereby depose and state as follows:

PURPOSE OF THIS DECLARATION

1. This declaration is submitted in support of a complaint for forfeiture. The information contained in this declaration is based on an investigation conducted by the Yamhill County Sheriff's Office, with the assistance of DEA, into illegal marijuana grows. This declaration will show that \$75,420.00 in U.S. Currency (**Subject Currency 1**), \$10,000.00 U.S. Currency (**Subject Currency 2**), and a 1991 Acura NSX Coupe [VIN: JH4NA1155MT000209] (**Subject Vehicle**) seized from Chaoyang Tan ("CHAOYANG") at his residence on Denali Drive in Happy Valley, Oregon, and \$96,380.00 in U.S. Currency (**Subject Currency 3**) and \$22,630.00 U.S. Currency (**Subject Currency 4**) seized from Nian Hua Chen and Yong Zhong Tan at their residence in Portland, Oregon are subject to forfeiture pursuant to 21 U.S.C § 881(a)(6), as moneys and assets furnished or intended to be furnished by any person in exchange for a controlled substance, proceeds traceable to such an exchange, or moneys used or intended to be used to facilitate violations of 21 U.S.C. § 801, *et. seq.* Information contained in this declaration is based upon my personal observations, training, and experience, and that of other law enforcement officers. This declaration does not contain each and every fact that I know about this investigation, only those necessary to establish probable cause to believe the seized currency is subject to forfeiture pursuant to 21 U.S.C. § 881(a)(6).

DECLARANT'S BACKGROUND AND TRAINING

2. I am a Special Agent with the Drug Enforcement Administration (DEA) and have been since January 2022. I am currently assigned to the DEA Seattle Field Division (SFD)

Portland District Office (PDO). As a Special Agent of the DEA, I have participated in numerous drug investigations as either the lead case agent or as a supporting investigative agent, including in Title III wiretap investigations of violations of the Controlled Substances Act, Title 21, United States Code, Section 801, *et seq.* I have received specialized training from the DEA, to include a 17-week Basic Agent Training course and other training courses. I have been involved in conducting long-term, international, and complex conspiracy investigations. Prior to my assignment to the PDO, I was a sworn law enforcement officer in the state of Florida with the University of Florida Police Department for six years. During that time frame, I was assigned to Patrol for the first four years. For the last two years, I was assigned to the Gainesville DEA office, under the Miami Field Division, as a deputized Task Force Officer. I am familiar with investigations of Drug Trafficking Organizations (hereinafter, “DTOs”) including identifying methods of importation and distribution of controlled substances, and how controlled substances are manufactured, consumed, packaged, marketed, smuggled, and distributed.

BACKGROUND OF THE INVESTIGATION

3. In December of 2021, the Yamhill County Sheriff’s Office (YCSO) began investigating an illegal marijuana grow located at 16650 NE Chehalem Drive, Newberg, Yamhill County, Oregon, (the “Chehalem Property” or Original Grow location). YCSO’s learned about the grow from a Yamhill County Department of Planning and Development code enforcement (YCDPD) employee who will be referred to as “YCE.” YCE reported an 800-amp electrical panel blew up in the machine shop located on the property causing risers on the power pole to melt from the extreme heat. Portland General Electric (PGE) had to respond to disconnect the power. When this incident occurred in the summer of June 2021, it was not originally reported to the fire department or law enforcement.

4. YCE began investigating county code violations based on the electrical issues and ultimately ended up posting “Stop Work” and “Do Not Enter Unsafe To Occupy” notices at the Chehalem property. YCE attempted to locate and speak to an individual responsible for the property but the people who were at the property denied any authority over the property and denied knowledge of who was responsible. YCE photographed several vehicles on the property including their license plates and forwarded those pictures to YCSO Detective (Det.) Skip Jones. Det. Jones identified the following vehicles:

- Silver Nissan box van, registered to Nianhua Chen at her residence on Bush St, in Portland, Oregon. (Bush Street Residence).
- Light blue Toyota Prius, registered to Nianhua Chen, at the Bush Street Residence.
- White Toyota Tundra, registered to Chaoyang Tan, at a residence on SE Denali Dr, in Happy Valley, Oregon. (Denali Drive Residence).

5. Det. Jones spoke with the Yamhill County Chief Electrical Inspector who will be referred to as “Inspector” about the property as well. Inspector told Det. Jones that he inspected the machine shop and 800-amp panel after it blew up and could smell a strong odor of mold along with the odor of marijuana while inside the shop. Inspector explained he could see mold on the bottom of the newly constructed walls and believed it was from the walls continuously being wet.

6. Det. Jones then spoke to an electrician with Vanguard Electric who worked on the shop at the Chehalem property, who will be referred to as “VE.” VE reported being contacted in June of 2021 by an individual named “Chao” who ultimately directed VE to another individual who went by “Ocean,” and had a phone number ending in 1863. Ocean wanted electrical work done at the Chehalem property shop for the damaged 800-amp panel. VE looked at the shop to see what needed to be done and observed walls constructed in the shop, which created individual

rooms. VE could smell the odor of marijuana but did not see any plants. VE reported also previously working for Ocean on another large building located at 3890 Silver Falls Dr NE, Silverton, Marion County, Oregon (Grow Location 1). Investigators later identified Ocean as Chaoyang Tan.

7. Part of VE's procedure for installing electrical work, is needing to know the type of equipment that would be used at a location in order to determine the facility's power needs. VE asked Ocean what would be used at the Grow Location 1 and VE was told, grow lights, humidifiers, and A/C units.

8. Det. Jones asked VE how they know what marijuana looks and smells like. VE explained over the years of being an electrician, VE has completed electrical work at several marijuana grows. VE's observations and communications with the responsible individuals of the marijuana grows helped build their experience and knowledge of marijuana. VE advised that all of the marijuana grows they have been to had a distinct, similar smell.

9. Det. Jones requested power records for the Chehalem property from June 2021 to November 2021. For the Chehalem residential meter, from June 2021 to November 2021, power was less than 600 KWH per month. For the commercial meter, June 2021 was over 94,000 KWH, and in July 2021 it dropped to less than 600 KWH. Service was disconnected and the meter removed due to damaged equipment on August 4, 2021. A rate of 94,800 KWH is consistent with an indoor marijuana grow.

10. Det. Jones searched a commercial database for Ocean's phone number ending in 1863. That database showed a 100% probability that the phone number belonging to Chaoyang. Det. Jones also found records for Chaoyang and determined that the date of birth and California Driver's License number were linked to the Bush Street Residence. Det. Jones queried the driver's

license through a law enforcement database and found the same person information with an address in Hercules, California. Det. Jones was also able to find an Oregon Driver's license number confirming Chaoyang Tan is going by Ocean.

11. Polk County Det. Lorence and Det. Jones drove to the Grow Location 1 to view the property. This property is approximately a 9.9-acre piece of farmland. Based on the description of the building from the electrician, Det. Jones identified the largest building on the property. The buildings and the residence are placed towards the back of the property.

12. Det. Jones then drove to Stormy Dr NE to observe the property from the northwest. From this angle Det. Jones could see the north side of a large gray metal building. Parked in front of the building were two vehicles, was a van with the letters OEG on the side. Det. Jones knows this company as Oregon Electric Group. Next to the vehicles was a pile of green turf. Det. Jones did a Google search of this address and learned that the large metal building used to be an indoor soccer arena called "Sossie Family Soccer Club." This property sold in October 2020 and was purchased by Lichao Feng. Det. Jones observed two other vehicles located on this property, a white Ford van and a silver Nissan Van.

13. Det. Jones contacted Marion County Planning and requested to speak with an electrical inspector regarding Grow Location 1. Det. Jones' inquiry was based on seeing the electrical company at the property and knowing a permit is usually needed from the county.

14. Det. Jones spoke with a Marion County Electrical Inspector who will be referred to hereinafter as "RM." RM stated they were at Grow Location 1 for a final service inspection. RM explained they arrived at the property for an electrical inspection and observed additional circuits installed without a permit. This was relayed to the electrician on scene and the electrician was told that an additional inspection would be needed.

15. RM continued to explain the building had been framed in with walls making separate rooms. RM also noticed a completely new second story was built and framed in. RM observed three to four individuals inside the building, each with a flat of marijuana plants in 2x2 inch planters. It was estimated each flat had approximately 24 marijuana plants in it. RM observed these individuals transplanting the marijuana plants from the 2x2 planters into 6-inch circular planters. RM could see in one of the rooms on the first floor and there were “pretty bright” grow lights on. RM also saw three stainless steel cylindrical containers with the words “carbon dioxide” on each of them. The containers were described as 24”x5’.

16. RM scheduled another inspection at the property after the property received a permit for the additional circuits. RM told Det. Jones when they went back out to the property, it was cleaned up and they did not observe any marijuana plants.

17. Det. Jones asked RM how they know what marijuana looks and smells like. RM has been an electrician for many years and since the legalization of marijuana, has completed electrical work on several indoor marijuana grows. For the last three years, RM has been employed as an electrical inspector. During those three years, RM has inspected electrical work at approximately six to eight properties that were or were going to be marijuana grows. RM advised approximately half of the grows they inspected had marijuana plants growing in them.

18. Det. Jones requested power records. On 2/03/2022, Det. Jones received power records from PGE regarding two electric meters located at Grow Location 1. In the power records return, it shows the residential meter was activated on 10/20/2020 in the last name of Feng and discontinued on 11/17/2020. The power consumption record for the above meter for October is 426 KWH and for November is 782 KWH.

19. The same residential meter located at Grow Location 1 is listed a second time with a

new name on the account. The meter listed shows the customer's name as Wing Shan Cheng and identifies it as a residential meter with a billing address at Grow Location 1. It shows the account start date as 11/17/2020 and is currently active.

20. The second meter listed shows the customer's name as Wing Shan Cheng and identifies it as a commercial or industrial meter with a billing address at Grow Location 1. It shows the account start date as 08/12/2021 and it is currently active.

21. The power consumption record for the above meters is listed in this chart.

Month	Residential	Commercial
December 2020	2572 KWH	
January 2021	6359 KWH	
February 2021	13822 KWH	
March 2021	5984 KWH	
April 2021	12173 KWH	
May 2021	13721 KWH	
June 2021	11686 KWH	
July 2021	8523 KWH	
August 2021	7492 KWH	0 KWH
September 2021	10176 KWH	0 KWH
October 2021	11543 KWH	0 KWH
November 2021	6473 KWH	0 KWH
December 2021	5210 KWH	0 KWH
January 2022	7622 KWH	120 KWH

22. The power usage for the commercial-industrial meter is consistent with the reports from the electricians and electrical inspectors about the ongoing electrical work.

23. Detective Lorence and Det. Jones returned to the area of Grow Location 1 and observed several vehicles parked in front of the large gray metal building. They also observed a female and male walk in and out of the door located on the north side of the building. Det. Lorence took pictures of the vehicles and the individuals. The following vehicles were seen:

- A white Subaru Forester registered to Chen, Haiying at an address on 82nd Ave in Portland, Oregon.

- A white Toyota Tundra registered to Chaoyang Tan at the Denali Drive Residence.
- A silver Nissan box van registered to Nianhua Chen at the Bush Street Residence.

24. Det. Jones contacted a neighbor of Grow Location 1 who will be referred to hereinafter as “GK.” GK had concerns about the property being an illegal marijuana grow. GK said he reported the issue to the Marion County Sheriff’s Office in the summer of 2021, but they were told there was nothing that could be done. GK reported smelling marijuana coming from the property and believed it was being grown in the residence on the property. GK observed individuals showing up to work during the day and then leaving at night. GK noticed the lights were always on in the residence, leading GK to believe no one was living on the property.

25. GK observed a lot of construction occurring at the large gray building to include electrical work, removing the artificial turf from inside, pouring concrete inside the building, lumber deliveries and deliveries of other materials. GK reported also calling law enforcement to report that individuals were burning the artificial turf causing black smoke. GK observed an increase in activity at the property since the beginning of January 2022.

26. Det. Jones inquired as to how GK would know what marijuana looks and smells like. GK explained an association with others who grew and smoked marijuana while growing up. Though GK did not participate in these activities, GK reported have seen marijuana in several stages including being grown, dried and smoked.

27. Det. Jones determined that a Marion County Deputy had gone to Grow Location 1 to check out the property in June 2021, consistent with GK’s statement. The Deputy noted no one appeared home, the windows were closed, and the shades were shut. The Deputy noticed a “small

window to the garage was venting blowing air out and sounded as if there was a fan of a ventilation system running inside.” The Deputy explained it appeared there could be something being grown inside the home but did not observe evidence of marijuana.

28. Det. Jones reviewed the power records he previously requested and found the power consumption for the residence in June of 2021 was 11,686 KWH. This power consumption is consistent with an indoor marijuana grow.

29. Due to electricians referring to “Ocean” (Chaoyang) as the point of contact and facilitator for having electrical work completed at two suspected illegal marijuana grows and Chaoyang’s Toyota Tundra seen at Silverton Grow Location 1 on March 16, 2022, Det. Jones attempted to determine the level of responsibility Chaoyang was tasked with these grows. Det. Jones ran Chaoyang and Nianhua’s Oregon Driver’s License numbers through an online database and confirmed they still had the above addresses listed through DMV. Due to the number of properties involved, the properties having multiple individuals associated to them, and his experience in properties being owned by registered businesses, Det. Jones checked with the Oregon Secretary of State Corporation Division for businesses associated with Chaoyang. The search resulted in the below businesses registered to Chaoyang and the associated addresses.

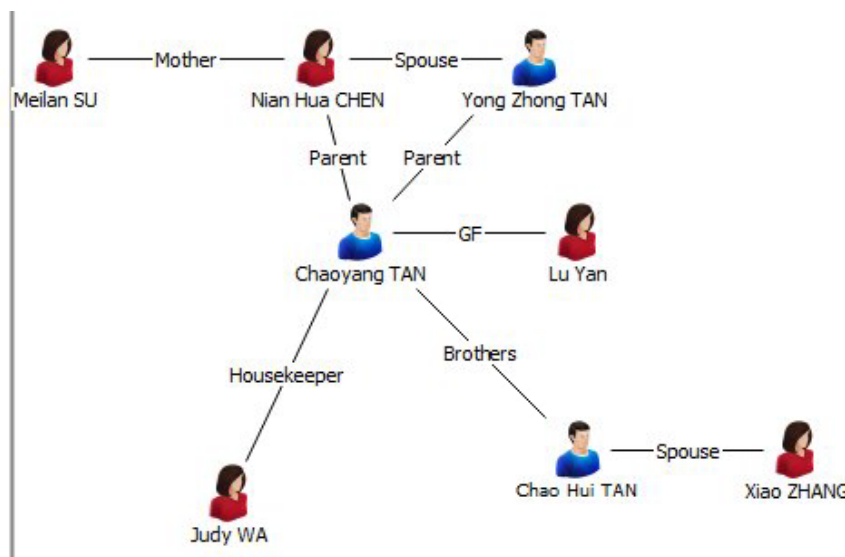
- LED Meteor Showers LLC: Chaoyang Tan, Bush Street Residence.
- MIC LLC: Chaoyang Tan, Bush Street Residence.
- Lucky Tan Restaurant INC: Chao Yang Tan, 24371 E Welches Rd, Welches.
- OK Furniture Manufacturing LLC: Chao Yang Tan, 20698 S Mattoon Rd,

Estacada, and Bush Street Residence.

30. Det. Jones then contacted the Multnomah County Assessor’s Office regarding the registered owners of the Bush Street Residence. Det. Jones was told the individuals listed were,

“CHEN, NIAN HUA & TAN, YONG ZHONG & TAN, CHAO YANG.” Det. Jones also contacted the Clackamas County Assessor’s Office regarding the registered owners of the Denali Drive Residence and Mattoon Grow Location 2. Det. Jones was told the registered owner of the Denali Drive Residence was Chaoyang Tan. The registered owners of Grow Location 2 were Chao Hui Chaoyang and Nian Hua Chen.

31. The following graph was created to better understand how the various parties were connected to Chaoyang Tan.



32. On April 4, 2022, Det. Jones drove to the three addresses listed above to see if any vehicles were on the properties. He found the following:

Residence	Cars Observed	Registered Owner, Home address
Denali Drive Residence Happy Valley	White Toyota Tundra	Chaoyang Tan, same address
	Blue Toyota Prius	Nianhua Chen, Bush Street Residence
	White BMW	Wu Lu Yan, California address
Bush Street Residence Portland	Toyota Sienna	Yong Zhong Tan, at same address

Mattoon Grow Location 2	Gold Toyota Sedan	Yuanbing Xu, at same address.
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33. Based on Nian Hua Chen and Yong Zhong Tan being the registered owners of Bush Street Residence, Yong Zhong Tan's vehicle at the Bush Street Residence and Nian Hua Chen's vehicle being at the Denali Drive Residence, I believe Bush Street is a good address for them. I also believe Nian Hua Chen and Yong Zhong Tan are associated with Chaoyang.

34. Det. Jones had his window down as he went by the Bush Street Residence, and he could not smell any odors. Det. Jones then turned on S Stormer Road and began driving past the residence. Det. Jones could see there was another driveway off Stormer Road, and it was also gated. As Det. Jones passed the residence, he saw there was a shop located behind it. In front of the shop, he could see one A/C unit. Behind the shop there was a fence attached to it obstructing his view and at that time he began to smell an odor of marijuana. As he left the area of the shop towards S Hummingbird Ln, he noticed he could not smell it anymore.

35. Det. Jones then drove the area and contacted neighbors regarding their observations of S Mattoon Road. (Grow Location 2). Det. Jones spoke to one neighbor who stated that they walk their dog on S Stormer Road and often smell marijuana coming from the shop located behind the residence. They also see small white sprinter style vans coming and going from the property.

36. The residents of Grow Location 2 were described as being an older couple and kept to themselves. When the couple moved in a couple years ago, surrounding neighbors received a survey from the county asking if there would be any issues with the new owners of Grow Location 2 running a furniture business out of their home. Det. Jones asked if they still had the survey and they told him no.

37. Det. Jones then drove to Grow Location 1. He again observed the large gray metal

building from the east side. He could see four more A/C units were installed in addition to the eight he previously observed on 3/16/2022, bringing the total of visible A/C units to fourteen on the entire building. Det. Jones also observed an individual in a blue coat, walk out of a door on the east side of the building and walk to one of the A/C units. The individual stood near the A/C unit for several moments and leaned over as if they were inspecting it. Det. Jones also observed two white sprinter style vans parked in front of the large building.

38. Det. Jones has checked with the Oregon Department of Agriculture-Hemp Program (ODA), Oregon Health Authority-Oregon Medical Marijuana Program (OMMP) and Oregon Liquor & Cannabis Commission (OLCC). After checking all three regulating authorities, Det. Jones found there were no licenses to grow more than the legal limit of marijuana or hemp at Silverton Grow Location 1, Denali Drive Residence, Bush Street Residence and Mattoon Grow Location 2.

39. Due to Det. Jones' observations and Chaoyang's connection with Grow Location 2, Det. Jones requested power records for this address. Det. Jones also requested power records for Denali Drive Residence and Bush Street Residence to see who the account holders are for those properties. Det. Jones also subpoenaed Oregon Electrical Group (OEG) documents to confirm who is scheduling and paying for the electrical work at the illegal marijuana grows.

40. On 4/11/2022, Det. Jones received emails from OEG containing their documents from customer properties located at the Chehalem property (Original Grow Location) and Silverton Grow Location 1. In the documents there is an email stating the only contact person for these properties is Ocean (Chaoyang), with Ocean's previously identified phone number listed.

41. In reviewing the OEG documents, Det. Jones found there are multiple work orders, job request emails, permits, permit receipts and an Excel spreadsheet. The Excel spreadsheet

showed the date, work order number, work address, payment location, cash received and the person paying.

42. While reviewing the Excel spread sheet, Det. Jones found the following documentation of interest to the investigation.

DATE	ORDER NUMBER	WORK ADDRESS	PAYMENT LOCATION	COST	PAYOR
8/26/21	709875	Silverton Grow Location 1	Bush Street Residence	\$19,600	Ocean (Chaoyang)
12/20/21	710115	Chehalem property Original Grow Location	Chehalem property Original Grow Location	\$19,300	Ocean (Chaoyang)
12/20/21	710297	Silverton Grow Location 1	Chehalem property Original Grow Location	\$600	Ocean (Chaoyang)
3/17/22	710297	Silverton Grow Location 1	Denali Drive Residence	\$2,400	Lu Yan Wu (Ocean's wife)
3/17/22	710115	Chehalem property Original Grow Location	Denali Drive Residence	\$22,200	Lu Yan Wu (Ocean's wife)
4/12/22	710115	Chehalem property Original Grow Location	TBA	TBA	TBA

44. On 4/29/2022, Det. Jones requested and received updated power records from PGE for the meters located at Silverton Grow Location 1. The account holder information was still the same for the residential meter and the commercial/industrial meter.

45. The updated power consumption for both meters is reflected in the months of February through April 2022 below.

Month	Residential	Commercial
December 2020	2572 KWH	
January 2021	6359 KWH	
February 2021	13822 KWH	
March 2021	5984 KWH	
April 2021	12173 KWH	
May 2021	13721 KWH	
June 2021	11686 KWH	

July 2021	8523 KWH	
August 2021	7492 KWH	0 KWH
September 2021	10176 KWH	0 KWH
October 2021	11543 KWH	0 KWH
November 2021	6473 KWH	0 KWH
December 2021	5210 KWH	0 KWH
January 2022	7622 KWH	120 KWH
February 2022	7001 KWH	10440 KWH
March 2022	5346 KWH	41640 KWH
April 2022	4929 KWH	69960 KWH

46. Based on the dramatic increase in power consumption, I believe the building associated with this commercial meter is actively growing marijuana.

47. Det. Jones also received PGE power records for the Denali Drive Residence. The meter listed shows the customer's name as Chaoyang and identifies it as a residential meter. It shows the account start date as 05/24/2021 and is currently active. The power consumption for this meter is under 700 KWH per month since it has been activated. This is consistent with a standard household consumption and does not show any evidence of a marijuana grow.

48. Det. Jones received PGE power records for the Bush Street Residence. The meter listed shows the customer's name as Chaohui and identifies it as a residential meter. It shows the account start date as 11/14/2016 and is currently active. The power consumption for this meter is under 800 KWH per month for the last year. This is consistent with a standard household consumption and does not show any evidence of a marijuana grow.

49. Det. Jones was able to find Chaohui in a commercial database. Chaohui's DMV registered address is the Bush Street Residence.

50. The last address Det. Jones received PGE power records for is Grow Location 2. The meter listed shows the customer name as Xue Liang Kuang and identifies it as a residential

meter. The email associated with the account is oceantan@me.com. It shows the account start date as 11/17/2021 and it was active as of May 2022. Det. Jones was not able to find any information to identify Kuang. The previous customer's information on this property meter was also listed. The previous customer's name was Yuanbing Xu and identifies it as a residential meter. The email associated with the account is oceantan@me.com. The account start date was 10/14/2019 and account end date was 06/23/2021. Det. Jones recalled, on 04/04/2022 he observed a vehicle (a goldish Toyota sedan) registered to Xu, parked in the driveway of Mattoon Grow Location 2 behind the closed gates.

51. The power consumption for the above meter is shown below.

- 04/2022, 17201 KWH
- 03/2022, 17985 KWH
- 02/2022, 19219 KWH
- 01/2022, 18293 KWH
- 12/2021, 21116 KWH
- 11/2021, 16961 KWH
- 10/2021, 14679 KWH
- 09/2021, 12622 KWH
- 08/2021, 13351 KWH
- 07/2021, 16555 KWH
- 06/2021, 21733 KWH
- 05/2021, 19592 KWH
- 04/2021, 18536 KWH

52. Based on the high-power consumption, I believe the building(s) associated with this meter is actively growing marijuana.

SEARCH WARRANT AT DENALI DRIVE RESIDENCE, HAPPY VALLEY

53. On May 16, 2022, Oregon Circuit Court Judge Jennifer K. Gardiner authorized a state search warrant for Chaoyang's Denali Drive Residence and that warrant was executed on May 19, 2022. Chaoyang, Lu Yan Wu, Judy Wu and Nianhua Chen were present, along with two minor children of Chaoyang.

54. During the search of the residence, DEA Special Agent Nicholas W. Kocher located and seized a 1991 Acura NSX Coupe ("**Subject Vehicle**"). **Subject Vehicle** was located inside of the garage of the residence. **Subject Vehicle** is registered to Chaoyang. Investigators located the title and additional key for **Subject Vehicle** at Chaoyang's mother's residence at Bush Street Residence.

55. I located and seized \$75,420.00 U.S. Currency ("**Subject Currency 1**"). **Subject Currency 1** is the U.S. Currency that was found on a shelf inside of walk-in closet inside of the master bedroom belonging to Chaoyang and Lu Yan Wu as well as inside of a jacket pocket of an orange jacket hanging in the walk-in closet of the master bedroom. **Subject Currency 1** was divided into three rubber banded bundles with no packaging or markings.

56. Chaoyang declined an on-site interview and claimed not to speak English. But, while Chaoyang was detained in a marked police vehicle outside of the Denali Drive Residence, Investigators observed Chaoyang talk to a neighbor in English and tell the neighbor that **Subject Vehicle** was for sale. Investigators were able to speak with Wu, but due to her apparent limited English, a full interview was not attempted.

57. There was a safe in a walk-in closet inside of the master bedroom belonging to Chaoyang and Lu Yan Wu.. Chaoyang provided Investigators with a combination to the safe, but it was not correct. Investigators forced the safe open. Inside the safe, I located and seized \$10,000 United States Currency ("**Subject Currency 2**"). There were also Home Depot receipts for electrical work paid for by Chaoyang at an illegal marijuana grow located at Grow Location 2 in the safe. **Subject Currency 2** was a single rubber banded bundle of unmarked U.S. Currency. Law enforcement also found \$10,050.00 U.S. Currency in the safe. I have made the notifications that DEA will not be contesting the claim on that money; the \$10,050.00 is therefore not included in

this complaint.

58. Chaoyang was arrested during the execution of the search warrant by YCSO on Oregon state charges, though he was processed on scene and released by YCSO. He is pending charges in state court.

SEARCH WARRANT AT BUSH STREET RESIDENCE

59. On May 16, 2022, Oregon Circuit Court Judge Jennifer K. Gardiner authorized a state search warrant for the Bush Street Residence owned by Chaoyang Tan, and it was also executed on May 19, 2022. Yong Zhong Tan, Chaohui, Xiaohui Zhang, Meilan Su, and one juvenile were present at the time of the execution of the search warrant. Nian Hua Chen, a resident of this residence was located at the Denali Drive Residence at this time.

60. During the search of the residence, Special Agent Kocher located and seized \$96,380.00 U.S. Currency (“**Seized Currency 3**”) which was found in a safe located in the master bedroom belonging to Nian Hua Chen and Young Zhong Tan. The safe was forced open by law enforcement. **Seized Currency 3** was found as unmarked, banded U.S. Currency wrapped in aluminum foil inside of an unmarked black plastic bag.

61. During the search of the residence, SA Kocher also seized \$22,630.00 U.S. Currency (“**Seized Currency 4**”) which was found on the dresser and in the desktop drawer of a bedroom belonging to Xiaohui Zhang. **Seized Currency 4** was found as unmarked banded U.S. Currency.

62. During the course of the search and seizure, Investigators located lights typically used in the indoor cultivation of marijuana located in the garage of the residence. Investigators also located, but did not seize, additional equipment with marijuana residue in the garage.

63. While Investigators were on scene searching the Bush Street Residence, a white

Ford Transit Connect pulled up to the residence. The driver of the van was identified as Yong Zhong Tan. Yong Zhong gave Investigators verbal consent to search the vehicle. Two 30-gallon garbage bags of freshly cut marijuana trim was located in the back of the van.

64. Investigators found an Allstate auto insurance card inside the Bush Street Residence for three vehicles. It listed the white 2020 Ford Transit van as belonging to Yong Zhong and Nianhua Chen at 11879 SW Winnie Way (Grow Location 3). Two other vehicles were listed on the insurance card.

65. Numerous mortgage documents for the following properties were also located during the search:

- Bush Street Residence: Yong Zhong, Chaoyang, and Nianhua as the owners.
- Grow Location 2: Nianhua, Chaohui, and Lu Yan Wu owners.
- 11879 Winnie Way (Grow Location 3) registered to Yong Zhong.

66. Occupants on-site declined the opportunity to speak with Investigators regarding the seized currency. A translator was available on-scene at the time of the seizure.

SEARCH WARRANT AT GROW LOCATION 1

67. On May 16, 2022, Oregon Circuit Court Judge Jennifer K. Gardiner also authorized a state search warrant for a suspected illegal grow owned by Chaoyang Tan located at the Silverton Grow Location 1. During the execution of the search warrant, the following was seized:

- Live Plants: 6,275
- Clones: 3,588

There were no permits associated with this grow; it was illegal under state law.

SEARCH WARRANT AT GROW LOCATION 2

68. On May 17, 2022, Circuit Court Judge Michael C. Wetzel authorized a state of

Oregon search warrant for a suspected illegal grow owned by Chaoyang Tan located at Mattoon
Grow Location 2. During the execution of the search warrant, the following was seized:

- Live Plants: 675
- Clones: 510

The were no permits associated with this grow; it was illegal under state law.

SEARCH WARRANT AT GROW LOCATION 3

69. On May 19, 2022, Oregon Circuit Court Judge Michael C. Wetzel authorized a
state search warrant for a suspected illegal grow owned by Chaoyang Tan located at 11879
Winnie Way, Oregon City, Oregon. During the execution of the search warrant, the following
was seized:

- Live Plants: 517
- Clones: 576

The were no permits associated with this grow; it was illegal under state law.

SUBJECT CURRENCY AND VEHICLE

70. As part of the ongoing attempts to determine the source of the seized funds,
Investigators reviewed the claims filed for the currency and vehicle in order to determine if the
money and vehicle were subject to forfeiture.

71. The claim for **Subject Currency 1** stated that the seized currency is a combination
of personal savings from gifts and Chaoyang's work importing LED lights into the country and
selling them. The claim for **Subject Currency 2**, also stated that the seized currency is from
personal savings and gifts from relatives and friends. A review of Chaoyang's employment history
does not support a claim that the funds were savings. Investigators subpoenaed reported wages for
Chaoyang from the State of Oregon Employment Department. At the time Investigators received a
response, June 2022, Chaoyang had wages reported from the First Quarter 2019 (\$500.00) and

Fourth Quarter 2018 (\$3,000.00) from Momiji Japanese Restaurant, and a total of \$96,000.00 for Third Quarter 2020 to First Quarter 2022 from OK Furniture Manufacturing.

72. OK Furniture Manufacturing LLC was registered with the State of Oregon in April 2020 and listed its business activity as “import, sell.” Chao Yang Tan is the only member and manager and the registered address for OK Furniture is the same address as Grow Location 2. No records were found during the search warrant that support the claim that Chaoyang is actively involved in importing and selling LED lights as claimed. Instead, the records support that Chaoyang is actively engaged in manufacturing marijuana. For example, when **Subject Currency 2** was found it was near receipts for electrical work at Grow Location 2. In addition, Investigators located electrical work orders showing that Wu paid a total of \$24,600.00 in March 2022 for **Original Grow Location** and **Grow Location 1**.

73. The claim for the **Subject Vehicle**, filed by Chaoyang Tan, stated that Chaoyang and his uncle, Mao Tan, purchased the vehicle in June 2021. Per the claim, Mao owns 30% of the vehicle and they both purchased it after selling a previous vehicle. Chaoyang again states that he owns a business that imports LED lights and that he is paid in cash on occasion. Chaoyang also stated in his claim that he borrowed money from two friends to assist in paying for his portion of the vehicle. Other than the information provided in the claim, Investigators did not locate anything to indicate that anyone other than Chaoyang was the owner of **Subject Vehicle**. Furthermore, as stated above, the title and spare key for the vehicle were found at Bush Street Residence, where more bulk currency, marijuana processing equipment, LED lights typically used in the indoor cultivation of marijuana, and bulk marijuana trimmings were located. Furthermore, **Grow Location 1** and **Grow Location 2** were active at the time of the purchase, per power consumption levels at both locations. Additionally, as aforementioned, Chaoyang paid approximately \$19,600.00

in cash for the electrical work performed at **Grow Location 1** in August 2021.

74. Based on my training, knowledge, and experience, I am familiar with DTO members often times attempting to legitimize drug proceeds by attributing them to legitimate sources of income, i.e., a restaurant, as opposed to stating the proceeds are made from the sale of illegal narcotics. This is done to avoid the detection by law enforcement. Based on my training and experience, I know marijuana trafficking is also often a cash business. Based on Chaoyang's statement to the neighbor offering to sell **Subject Vehicle**, contradicting his claim that his uncle, Mao Tan, was part owner of the vehicle, bulk currency being located at his home, bulk currency being located at the location that is registered as his LED business, Chaoyang being financially responsible for multiple illegal marijuana grows, having no legitimate source of income, and not having a valid license with the State of Oregon to manufacture marijuana, I believe that **Subject Vehicle** was purchased with drug proceeds. Moreover, investigators are familiar with DTO members often times obtaining vehicles, cellphones, and residences in uninvolved third parties, in an effort to elude law enforcement detection and seizure of the respective assets. Investigators believe while Chaoyang claims that Mao is a part owner of the **Subject Vehicle**, investigators believe Chaoyang is the actual owner of the **Subject Vehicle** based on the vehicle being found at Chaoyang's residence and the title and spare key being located at Chaoyang's parent's and brother's home. Chaoyang's parents and brother are members of the DTO.

75. Based on my training, knowledge, and experience, I am familiar with DTO members often times attempting to legitimize drug proceeds by attributing them to legitimate sources of income, i.e., a restaurant, as opposed to stating the proceeds are made from the sale of illegal narcotics. This is done to avoid the detection by law enforcement. Based on my training and experience, I know marijuana trafficking is also a cash business. Based on that **Seized Currency 2**

was co-located with receipts for electrical work done at **Grow Location 2**, the fact that Wu and Chaoyang have both paid for electrical work at multiple illegal Marijuana grow locations, neither party having a known legitimate source of income, Chaoyang being the listed property owner of multiple illegal marijuana grow locations, and neither party having a permit with the State of Oregon to manufacture marijuana, I believe that both **Seized Currency 1** and **Seized Currency 2** was drug proceeds and was used or intended to be used to facilitate the manufacture of illegal marijuana.

76. Multiple claims were filed for portions of **Seized Currency 3**. Chaohui Tan claimed \$23,700.00 of **Subject Currency 3**. In his claim Chaohui stated that he is employed as a waiter at a sushi restaurant. Chaohui stated that his earnings are partially from cash tips. Additional, Chaohui also stated that some of the money was from wedding gifts and cash for his son. Investigators located the currency at a residence that Chaohui shares with his parents and grandmother. Investigators believe that both of Chaohui's parents are co-conspirators and actively involved in the DTO. Furthermore, Investigators located marijuana processing equipment, lights typically used in the indoor cultivation of marijuana, and Chaohui's father, Yong Zhong, arrived at the location with two 30-gallon bags full of fresh marijuana clippings at the time of the search warrant. Chaohui is listed on the Multnomah Property Appraiser's website as a listed owner of Grow Location 2. Investigators have not identified any legitimate sources of income for Chaohui.

77. Yong Zhong claimed \$26,670.00 of **Subject Currency 3**. In Yong Zhong's claim, he stated that he works for a Chinese restaurant to make money and had been saving money. Yong Zhong further claims that **Subject Currency 3** is not drug money. Yong Zhong is listed on the mortgage for Grow Location 3 and was the owner of the van in which he arrived at Bush Street Residence at the time of the search warrant with two 30-gallon trash bags of fresh marijuana

clippings. Yong Zhong does not have a permit to manufacture marijuana in the State of Oregon.

Yong Zhong has no identifiable legitimate source of income.

78. Nain Hua claimed \$29,950.00 of **Subject Currency 3**. Nian Hua, in her claim, stated that she works at a Chinese restaurant and part of the money comes from savings. In addition, Nian Hua stated that some of the money is to care for her elderly mother, Meilan. Su Nian has a prior drug conviction in Washington State in 2018. She was originally arrested for Possession with intent to Manufacture/Distribute Marijuana, Unlawful Use of a Building for a Drug Purpose, and Manufacture of Marijuana. Her conviction was for Possession of a Controlled Substance with No Prescription. Her vehicle was observed at an illegal marijuana grow location. She is listed on the mortgage for Grow Location 2 and listed on the Multnomah Property Appraiser's website as a listed owner for Grow Location 2.

79. Meilan Su claimed \$16,060.00 of **Subject Currency 3**. Meilan Su, in her claim, stated that **Subject Currency 3** was money given to her by her children for her to buy food, clothing, and nutrition. Investigators have not identified any source of income for her.

80. When **Subject Currency 3** was seized, it was unmarked and banded. There were no identifiable marks to indicate that portions belonged to different individuals. Furthermore, with specific regards to Chaohui's claim to a portion of **Subject Currency 3**, investigators located a wall safe in Chaohui's room that contained U.S. Currency that was seized at the time of the search warrant. Investigators cannot identify why Chaohui would store currency in a safe in his parent's room, when he was already storing currency in a safe in his own room. In addition, based on my training, knowledge, and experience, I am familiar with DTO members often times attempting to legitimize drug proceeds by attributing them to legitimate sources of income, i.e., a restaurant, as opposed to stating the proceeds are made from the sale of illegal narcotics. This is done to avoid

the detection by law enforcement. Based on my training and experience, I know marijuana trafficking is also a cash business. For these reasons and those aforementioned, I believe that **Subject Currency 3** was the drug proceeds of Chaohui, Yong Zhong, and Nian Hua and was used or intended to be used to facilitate the manufacture of illegal marijuana.

81. Specific to **Subject Currency 4**, in his claim Chaohui stated that he is employed as a waiter at a sushi restaurant. Chaohui stated that his earnings are partially from cash tips. Additionally, Chaohui also stated that some of the money was from wedding gifts and cash for his son. Investigators located the currency at a residence that Chaohui shares with his parents and grandmother. Investigators believe that both of Chaohui's parents are co-conspirators and actively involved in the DTO. Furthermore, Investigators located marijuana processing equipment, lights typically used in the indoor cultivation of marijuana, and Chaohui's father, Yong Zhong, arrived at the location with two 30-gallon bags full of fresh marijuana clippings at the time of the search warrant. Chaohui is listed on the Multnomah Property Appraiser's website as a listed owner of Grow Location 2. Investigators have not identified any legitimate sources of income for Chaohui. Based on my training, knowledge and experience, investigators are familiar with DTO members often times attempting to legitimize drug proceeds by attributing them to legitimate sources of income, i.e., a restaurant, as opposed to stating the proceeds are made from the sale of illegal narcotics. This is done to avoid the detection by law enforcement. Based on my training and experience, I know marijuana trafficking is also a cash business. For these reasons, I believe that **Subject Currency 4** was drug proceeds and was used or intended to be used to facilitate the manufacture of illegal marijuana.

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CONCLUSION

82. Considering the aforementioned facts and observations, Investigators believe **Subject Currency 1, 2, 3, and 4, and Subject Vehicle** were obtained through the illegal sale of marijuana. Moreover, I believe **Subject Currency 1, 2, 3, and 4, and Subject Vehicle** are subject to forfeiture pursuant to 21 U.S.C. § 881(a)(6), as moneys and assets furnished or intended to be furnished by any person in exchange for a controlled substance, proceeds traceable to such an exchange, or moneys used or intended to be used to facilitate violations of 21 U.S.C § 801, *et. seq.*

I declare under penalty of perjury that the foregoing is true and correct pursuant to 28 U.S.C. § 1746.

Executed this 9th day of November 2022

s/ *Kenneth Bain*

KENNETH BAIN

Special Agent

Drug Enforcement Administration